



**4TH MEETING
MANUFACTURING SUBGROUP**

MEETING MINUTES

**SEPTEMBER 17TH, 2010
1:30 PM**

**MEADWESTVACO
9TH FLOOR CONFERENCE ROOM
501 South 5th Street
Richmond, Virginia 23219**

Subgroup Members Present:

John Luke
Tom Godfrey

Subgroup Members Absent:

Bengt Lundgren
Don Banker
Brett Vassey

I. Call to Order

John Luke, Chair, called to order the 4th meeting of the Manufacturing Subgroup at 1:38 PM on September 17th, at the MeadWestvaco building in Richmond, VA.

II. Roll Call

Jessica Brooks called role. A quorum was not present

III. Minutes

Minutes from the 3rd meeting were reviewed and approved.

IV. Discussion and Finalization of Recommendations

The subgroup streamlined and finalized their recommendations and determined the best way to present these ideas to the Commission and the Governor. The recommendations were narrowed into 3 areas – tax reform, tax incentives, environmental and regulatory reform. Items discussed: Virginia is at a disadvantage with competitive states, Machinery & Tools tax is especially difficult, repealing M&T on only new manufacturing would not be effective and would alienate the existing manufacturers, M&T tax is obsolete and no longer fills its need, it's bad business and bad policy, needs to be fixed and changed and a better practice put in its place, expedite the single sales factor phase in, need to leverage the port as an asset, need a tax incentive program for existing and new VA manufacturers using the Virginia port (per container), currently a VA manufacturer is charged the same amount to use the Port as a PA manufacturer, South Carolina has used this program very successfully and VEDP will be able to use this as a large incentive

tool to bring manufacturers to the state, communicate with the Port Authority, DEQ should continue to promote a culture that is results oriented, faster permitting process especially for air permits, DEQ needs help reducing the cost of issuing EPA permits, need some sort of best practices or standardization for DEQ so that its goals and processes don't change as the Administration changes, etc.

VI. Public Comment

VML and VACo spoke on the importance of keeping the stream of revenue for the localities that M&T tax provides and encouraged the group to look at taxes as a whole rather than single out one tax.

VII. Adjournment

The meeting was adjourned at 2:35 PM.